

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

April 8, 1988



ALL-COUNTY LETTER NO. 88-35

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: IMPLEMENTATION OF MINIMUM WAGE INCREASE (EFFECTIVE  
JULY 1, 1988)

This letter is to inform you that effective July 1, 1988, by order of the State Industrial Welfare Commission (IWC), the minimum wage will increase from \$3.35 per hour to \$4.25. The provisions and exclusions of Wage Order #15-86, entitled Wages, Hours, and Working Conditions in the Household Occupations, will still apply with the exception of the minimum wage amount. The IWC will be issuing a new wage order in April 1988 that will be sent to all employers (including In-Home Supportive Services (IHSS) recipients and IHSS Contract vendors) in the State. A preliminary version is enclosed.

The Department will provide funds to grant the minimum wage increase to all IHSS providers whose wages are below the \$4.25 amount. For those Counties whose wages are below the \$4.25 amount and who have a wage scale of more than one step, the Department will fund increases only for those steps below the \$4.25 amount (Example 1). This change applies to all modes of IHSS delivery. The Department will not provide funds to increase wages or wage steps that are already at or above the \$4.25 level (Example 2).

Example 1:

	Entry	Step A	Step B
Current scale:	\$3.93	\$4.11	\$4.31
July 1, 1988	\$4.25	\$4.25	\$4.31

Example 2:

	Entry	Step A	Step B
Current scale:	\$4.25	\$4.43	\$4.63
July 1, 1988	\$4.25	\$4.43	\$4.63

The Department will automatically issue the wage increases for IHSS Individual Providers through the Case Management, Information, and Payrolling System (CMIPS). Since the statutory maximum benefit levels will also increase for recipients on July 1, 1988, CMIPS will coordinate both increases to occur simultaneously in a one step process. No increases should be entered on CMIPS by Counties prior to this automated increase.

Existing contracts continuing beyond July 1, 1988, that provide a wage scale with an entry level, effective July 1, 1988, which is already at or above the new minimum wage (\$4.25 per hour) will not be affected by this change and need no amendment for this purpose. According to our records, the following Counties are included in this group: Riverside, San Francisco, and Santa Clara.

Existing contracts continuing beyond July 1, 1988, that provide a wage scale with one or more steps below the new minimum wage will require an amendment to reflect a new wage scale effective July 1, 1988, similar to Example 1 above. This change includes amending the second year of existing contracts for any wages below \$4.25 per hour. The proposed contract amendment must incorporate the new wage scale, line item budget and budget narrative which clearly display the calculations justifying the cost impact (i.e., composite wage rate). Funds will not be provided to avoid the compaction of wage steps at or above \$4.25 per hour. Existing wage steps at or above \$4.25 per hour must remain unchanged. According to our records, the following Counties are included in this group: Butte, Nevada, San Diego, and Tulare.

Contracts being renegotiated for a third-year renewal that provide a wage scale with one or more steps below the new minimum wage will require an adjustment to reflect a new wage scale effective July 1, 1988, under the same rules as outlined above. According to our records, only San Joaquin County is included in this group.

Contracts being renegotiated for a third-year renewal that provide a wage scale with an entry level, effective July 1, 1988, which is already at or above the new minimum wage (\$4.25 per hour) will not be affected by this change and need no adjustment for this purpose. According to our records, only Santa Barbara County is included in this group.

New contracts scheduled to commence on or after July 1, 1988, as a result of a competitive bid process must include a wage floor at or above the new minimum wage (\$4.25). Adjustment of the wage scale to include the new minimum wage will be left to the competitive bid process. According to our records, the following Counties are included in this group: Humboldt, Mendocino, San Mateo, Santa Cruz, Stanislaus, Tehama, and Ventura.

If you have any questions regarding the contents of this letter, please call your IHSS Analyst at (916) 322-6320.

Sincerely,



LOREN D. SUTER  
Deputy Director  
Adult and Family Services

Enclosure

cc: County Welfare Directors Association

INDUSTRIAL WELFARE COMMISSION  
ORDER NO. MW-88  
REGULATING THE MINIMUM WAGE

**TAKE NOTICE:** The Industrial Welfare Commission (Commission), pursuant to its authority in the California Labor Code, and Article 14, Section 1 of the Constitution of the State of California, has fixed a new minimum wage for all employees in this state, and provided for an alternative wage for certain employees. Also, the Commission has increased the amounts credited against the minimum wage for meals and lodging. The Commission promulgated this order after calling a wage board pursuant to Labor Code Sections 1178.5 (a) and (c) and has proceeded with the authority vested in it by Labor Code Sections 1171 through 1204. This order supersedes Order No. MW-80 and amends certain minimum wage sections of all the Commission's industry and occupation orders as contained in Title 8, Sections 11000 through 11150 of the California Administrative Code. The specific amendments are noted below.

**1. APPLICABILITY**

The provisions of this Order shall not apply to employees directly employed by the State or any county, incorporated city or town or other municipal corporation, or to outside salespersons.

The provisions of this Order shall not apply to any individual who is the parent, spouse, child, or legally adopted child of the employer.

Exceptions and modifications provided by statute or in Section 1, Applicability, and other sections of the Industrial Welfare Commission's industry and occupation orders may be used where any such provisions are enforceable and applicable to the employer.

## **2. MINIMUM WAGES**

Every employer shall pay to each employee wages not less than four dollars and twenty-five cents (\$4.25) per hour for all hours worked, except:

Tipped employees may be paid not less than \$3.50 per hour. A tipped employee is an employee who is engaged in an occupation in which he or she customarily receives gratuities, as that term is defined in Labor Code Section 350 (e), of not less than sixty dollars (\$60.00) per month.

## **3. MEALS AND LODGING**

Meals or lodging may not be credited against the minimum wage without a voluntary written agreement between the employer and the

employee. When credit for meals or lodging is used to meet part of the employer's minimum wage obligation, the amounts so credited may not be more than the following:

Lodging:

Room occupied alone.....	\$ 20.00 per week
Room shared.....	\$ 16.50 per week
Apartment--two-thirds (2/3) of the ordinary rental value, and in no event more than.....	\$240.00 per month
Where a couple are both employed by the employer, two-thirds (2/3) of the ordinary rental value, and in no event more than.....	\$355.00 per month

Meals:

Breakfast.....	\$1.50
Lunch.....	\$2.10
Dinner.....	\$2.80

#### 4. SEPARABILITY

If the application of any provision of this Order, or any section, subsection, subdivision, sentence, clause, phrase, word or portion of this Order should be held invalid or unconstitutional or unauthorized or prohibited by statute, the remaining provisions thereof shall not be affected thereby, but shall continue to be given full force and effect as if the part so held invalid or unconstitutional had not been included herein.

5. **THIS ORDER** supersedes Minimum Wage Order No. MW-80, and amends minimum **wage** Sections 4 (Minimum Wages) and 10 (Meals and Lodging) of the Industrial Welfare Commission's 1980 industry and occupation orders and Order 15-86 contained in the California Administrative Code as follows: It supersedes Title 8, Sec. 11000 (Order MW-80); it also amends subsections 4(A) and 10(B) of, and adds subsection 4(A)(3) to, Title 8, Secs. 11010 (Order 1-80), 11020 (Order 2-80), 11030 (Order 3-80), 11040 (Order 4-80), 11050 (Order 5-80), 11060 (Order 6-80), 11070 (Order 7-80), 11090 (Order 9-80), 11100 (Order 10-80), 11110 (Order 11-80), 11120 (Order 12-80), 11150 (Order 15-86); it also amends subsections 4(A) and 10(B) of, and adds subsection 4(A)(4) to, Title 8, Secs. 11080 (Order 8-80), 11130 (Order 13-80), 11140 (Order 14-80).

Adopted on December 18, 1987  
in San Francisco  
Effective July 1, 1988

INDUSTRIAL WELFARE COMMISSION

Lynnel Pollock, Chairperson  
Muriel Morse  
Michael Callahan  
David Padilla  
James Rude

The text of Order No. MW-88 and a statement as to the basis for Order No. MW-88 are available upon request from the Industrial Welfare Commission, P.O. Box 603, San Francisco, CA 94101, (415) 557-2590.